

## Message Text

PAGE 01 GENEVA 06354 301733Z

45

ACTION IO-14

INFO OCT-01 ISO-00 A-01 ABF-01 OMB-01 TRSE-00 SS-20 L-03

H-03 NSC-10 CIAE-00 INR-10 NSAE-00 PA-04 RSC-01

USIA-15 PRS-01 SPC-03 EB-11 FBO-01 SIL-01 LAB-06

FSE-00 COME-00 HEW-08 LOC-01 DRC-01 /117 W

----- 127556

R 301600Z NOV 73

FM USMISSION GENEVA

TO SECSTATE WASHDC 2791

INFO USMISSION USUN

UNCLAS GENEVA 6354

EO 11652 NA

TAGS AORG UN ITU WMO ABLD AFIN ILO WHO WIPO

SUBJ BUILDING COSTS: UN AND SELECTED SPECIALIZED AGENCIES

REF DEPT A-9401

1. BUILDING AND CONSTRUCTION COSTS FOR ITU FOR 1974 AS  
FOLLOWS:

2. COST OF ORIGINAL BUILDING SF 7,500,000. VALUE OF LAND GRANTED  
BY CANTON OF GENEVA SF 2,500,000. COST TO MEMBERS SF 5,000,000.  
US SHARE SF 572,500 AT CURRENT 11.45 PERCENT ASSESSMENT RATE.  
AMORTIZATION SF 574,900, OF WHICH US SHARE AT 11.45 PERCENT COMES  
TO SF 65,826. AMORTIZATION CONTINUES ONLY TO END 1975. (NOTE:  
FIGURES QUOTED IN SF WITHOUT US DOLLAR EQUIVALENTS BECAUSE OF  
CHANGING DOLLAR VALUE. CANNOT EXACTLY DEFINE PERCENTAGE OF US SHARE  
OF CONTRIBUTIONS IN WAKE OF LOSS OF SEAT FOR US TERRITORIES AT  
ITU PLENIPOTENTIARY CONFERENCE IN TORREMOLINOS IN SEPTEMBER-OCTOBER  
1973. OF TOTAL OF 485 CONTRIBUTOR UNITS, 47 OR SO WILL BE LOST  
DUE TO DECISION RE US, UK AND FRENCH TERRITORIES, ETC. US WILL  
PROBABLY BE COMMITTED TO PAY ABOUT 30 UNITS MAXIMUM, WHICH TRANS-  
LATES INTO SHARE OF CA. 6.77 PERCENT.)

UNCLASSIFIED

PAGE 02 GENEVA 06354 301733Z

3. EXTENSION BUILDING (TOWER) COSTS SF 20,369,000, ALL OF WHICH  
ASSESSED TO MEMBERS. US SHARE SF 2,332,250 AT 11.45 PERCENT.

4. TOTAL CURRENT CONSTRUCTION COSTS SF 27,122,000 FINANCED BY

SF 22,500,000 FIPOI LOAN (NOTE: TYPE ERROR IN LAST YEAR'S TELEGRAM GENEVA 5329 REPORTED THIS AS SF 12,500,000, WHICH SUBSEQUENTLY AND ERRONEOUSLY REFLECTED IN CHART AS \$3,289,474 UNDER METHOD OF FINANCING, ETC.) AND SF 4,622,000 FROM REGULAR BUDGET 1973-5. AFOREMENTIONED AMOUNT INCLUDES COST OF BUILDING EXTENSION (SF 1,625,000), INSTALLATION AND REMOVAL COSTS (SF 3,111,000), AND INTEREST ON LOAN (SF 1,506,000). THESE FIGURES ARE ESTIMATES ONLY. FINAL FIGURES WILL BE AVAILABLE CA END 74.

5. ONLY RENTAL COSTS ARE FOR PARKING FACILITIES (SF 110,000). PLANT OPERATION AND MAINTENANCE COSTS SF 1,235,600. THIS INCREASE REFLECTS ADDITIONAL EXPENSES DUE TO NEW BUILDING.

6. AS STATED ABOVE, AMORTIZATION OF FIPOI LOAN (SF 22.5 MILLION) TO BEGIN 1976 AND TERMINATE YEAR 2000. ESTIMATED ANNUAL AMORTIZATION WILL BE SF 1,413,000. INTEREST RATE THUS FAR 3 PERCENT, BUT COULD BE UPPED TO 3.5 PERCENT IF OVERALL SWISS RATES CLIMB DUT TO INFLATION.

7. WMO--AMORTIZATION COSTS 1973 (ESTIMATED AT SF 3.03 EQUALS ONE DOLLAR) WILL BE DOLS 162,530 OF WHICH US SHARE (AT 24.85 PERCENT) DOLS 40,388; PLANT OPERATIONS AND MAINTENANCE COSTS DOLS 160,100. CURRENT INSURED VALUE OF BUILDING SF 13,500,000. DEPT MAY WISH RECALCULATE DOLLAR VALUE OF SWISS FRANC LOANS LISTED UNDER "METHOD OF FINANCING, ETC." IN TERMS CURRENT EXCHANGE RATE OR TO INDICATE THEIR VALUES IN SWISS FRANCS WHICH ARE (FOR GENEVA CANTON LOAN) SF 2,360,189 AND (FOR FIPOI LOAN) SF 6.5 MILLION.

8. ILO--TOTAL COST NEW BUILDING SF 137,168,290 WHICH IN TERMS OF CURRENT UN EXCHANGE RATE (SF 3.11 EQUALS \$1) EQUIVALENT DOLS 44,102,890; COMPLETION DATE LATE 1974; TOTAL ASSESSED TO MEMBERS WILL BE REPAYMENT SF LOANS TOTALING SF 117,000,000 PLUS INTEREST OF SF 11,300,000 OR DOLS 41,254,000 AT SF 3.11 TO DOLLAR; MAJOR BALANCE OF BUILDING COST SF 18,000,000 (OR DOLS 5,787,000) TO BE REALIZED FROM LAND EXCHANGE AND EQUITY IN OLD BUILDING, PLUS SF 2,168,290 (OR DOLS 697,106) TO BE COVERED BY SALE TO THE UN OF PETIT SACONNEX ANNEX FOR NET AMOUNT OF APPROXIMATELY UNCLASSIFIED

PAGE 03 GENEVA 06354 301733Z

SF 5.6 MILLION (ANNEX IS ON RENTAL PROPERTY IDENTIFIED AS STORAGE RENTAL IN LINE 4 OF LAST YEAR'S CHART, BUT IS ACTUALLY STORAGE AND OFFICE SPACE). DEPT MAY ALSO WISH RECALCULATE DOLLAR VALUE OF EXPANSION LOAN STILL OUTSTANDING AND AMORTIZATION COSTS. (ACCORDING ILO CALCULATION THESE DOLLAR VALUES IN LAST YEAR'S CHART APPEAR TO BE BASED ON CALCULATION OF SF 4.32 TO \$1.00) PLANT OPERATION AND MAINTENANCE COSTS FOR 1973 (IN OLD BUILDING) DOLS 168,000. IN ADDITION ILO OWNS SMALL PIECE OF PROPERTY, ADJACENT TO PRESENT ILO HEADQUARTERS BUILDING, WHICH IS USED BY THE INTERNATIONAL INSTITUTE FOR LABOR STUDIES. PRESENT PLANS ARE FOR THE INSTITUTE TO REMAIN IN ITS PRESENT LOCATION. THE PROPERTY COMPRISING 13,442 SQ. METERS WITH A 2800 CU. METER CHATEAU WAS PURCHASED IN 1963 FOR \$481,181. OF THAT AMOUNT \$363,192 REPRESENTED A ONE TIME

REDUCTION OF WCF AND \$117,989 WAS A REIMBURSABLE WITHDRAWAL FROM WCF. IN 1964 A 1650 CU. METER OFFICE PAVILLION WAS CONSTRUCTED ON THIS PROPERTY FOR COST OF \$66,509.

9. WHO--CY 1974 AMORTIZATION LOANS (AT SF 3.23 TO \$1.00) DOLS \$670,200 (INCLUDING INTEREST) OF WHICH US SHARE AT 29.18 PERCENT EQUALS DOLS \$195,564. PLANT OPERATION AND MAINTENANCE COSTS \$924,510. NO CHANGE IN OTHER NOTATIONS EXCEPT TO OBSERVE THAT FOOTNOTE Y IN LAST YEAR'S CHART SHOULD HAVE READ AS FOLLOWS "GARAGE \$1,100,000, OFFICE \$690,000." ALSO DEPT MIGHT WISH TO NOTE THAT PURSUANT TO WHA DECISION IN MAY 1973 NEW CONSTRUCTION ENVISAGED FOR LAND ADJACENT TO HQ HAS BEEN POSTPONED INDEFINITELY AND ALL ENGINEERING AND OTHER PLANNING WITH RESPECT TO SUCH CONSTRUCTION HAS BEEN DISCONTINUED.

10. WIPO--BUILDING COSTS OBTAINED FROM WIPO ALL IN SWISS FRANCS. TOTAL COST COLUMN IN LAST YEAR'S CHART SHOULD BE UPDATED TO READ: WIPO, SF 2,571,000; EXTENSION SF 757,000; NEW BUILDING (EST. AS OF APRIL 1972) SF 42 MILLION. TOTAL ASSESSED MEMBERS COLUMN: WIPO, SF 745,000; EXTENSION, SF 757,000; NEW BUILDING, SF 42 MILLION. US SHARE (APPROX.) COLUMN: WIPO, SF 13,000; EXTENSION, SF 30,000; NEW BUILDING, SF 421,000. IN CY 1974 BUDGET COLUMN: WIPO, SF 25,000; EXTENSION, SF 19,000. US SHARE COLUMN: WIPO, SF 1000; EXTENSION, SF 1000.

11. COLUMN "METHOD OF FINANCING:SHOULD READ: WIPO, "SF 745,000 LOAN FROM WIPO PENSION FUND 5 PERCENT - 20 YEARS. SF 200,000 SWISS GRANT AND SF 1,626,000 INVESTMENT OF MADRID UNION FUNDS UNCLASSIFIED

PAGE 04 GENEVA 06354 301733Z

(FROM FEES)"; EXTENSION "SF 757,000 LOAN FROM MADRID UNION, 5 1/2 PER CENT FOR 10 YEARS"; NEW BUILDING, "SF 42,000,000 LOAN FROM FIPOI AT 3 1/2 FOR 40 YEARS. PAYMENT TO BEGIN ONE YEAR AFTER COMPLETION.

12. WIPO PLANT OPERATIONS AND MAINTENANCE COSTS SF 225,000. NO CHANGE IN FOOTNOTES EXCEPT THAT DEPT MAY WISH TO NOTE THAT ESTIMATED REPLACEMENT COSTS (FOR INSURANCE PURPOSES) OF ORIGINAL BUILDING IS SF 6 MILLION.

13. SUGGEST THAT IN FUTURE EDITION OF THIS CHART DEPT MAY FIND IT USEFUL TO NUMBER COLUMNS FOR EASIER REFERENCE.BASSIN

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## Message Attributes

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**Capture Date:** 11 MAY 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition Event:**  
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**Executive Order:** N/A  
**Errors:** n/a  
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**Original Handling Restrictions:** n/a  
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**Previous Channel Indicators:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** kellerpr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 FEB 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04-Feb-2002 by elbezefj>; APPROVED <04-Feb-2002 by kellerpr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SUBJ BUILDING COSTS: UN AND SELECTED SPECIALIZED AGENCIES  
**TAGS:** AORG, ABLD, AFIN, UN, WMO, ILO, WHO, ITU, WIPO  
**To:** STATE INFO USUN  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005